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Consumer Price Index, Houston-Galveston-Brazoria – February 2016

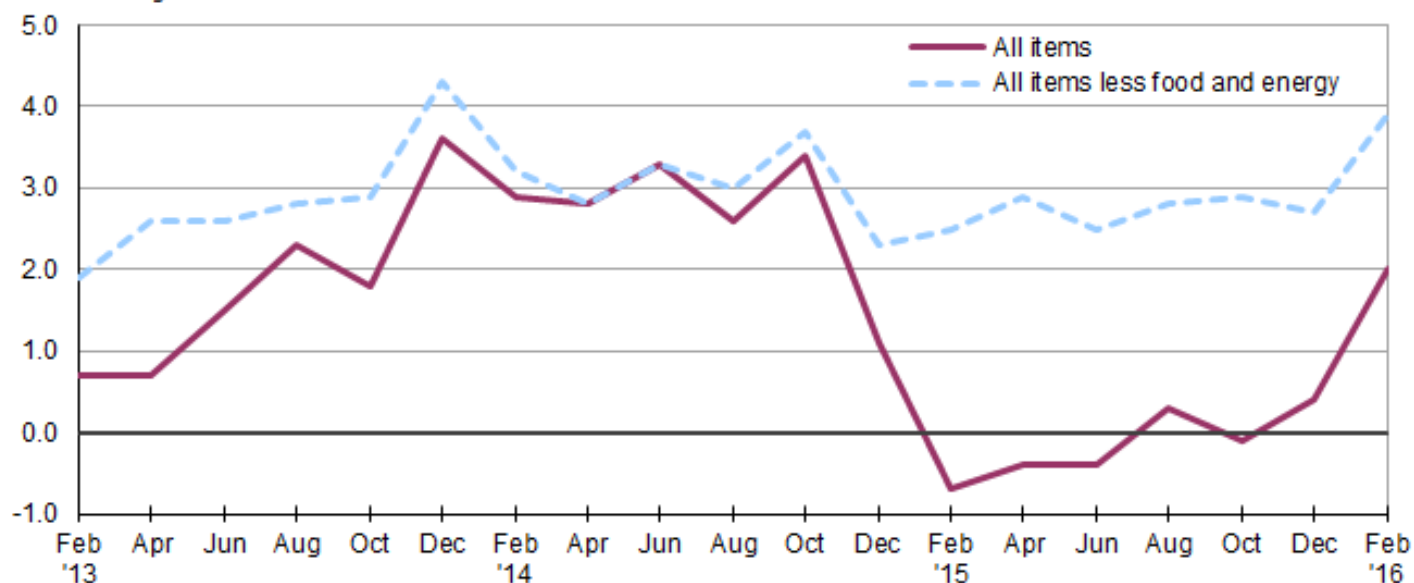
Area prices rise 0.7 percent in January and February; up 2.0 percent over the year

The Consumer Price Index for All Urban Consumers (CPI-U) in the Houston area rose 0.7 percent in January and February, the U.S. Bureau of Labor Statistics reported today. Regional Commissioner Stanley W. Suchman noted that the increase was the result of a 1.5-percent advance in the index for all items less food and energy, as prices fell for both energy (-7.1 percent) and food (-0.4 percent). (Data in this report are not seasonally adjusted. Accordingly, short-term changes may reflect the impact of seasonal influences.)

During the year ended in February 2016, the all items CPI-U advanced 2.0 percent. (See [chart 1](#).) The index for all items less food and energy increased 3.9 percent over the year, the fastest annual rise since December 2013 (4.3 percent). (See [table 1](#).)

Chart 1. Over-the-year percent change in CPI-U, Houston-Galveston-Brazoria, February 2013–February 2016

Percent change



Source: U.S. Bureau of Labor Statistics.

Food

Local food prices decreased 0.4 percent in January and February, after increasing 0.5 percent in November and December. Among the two components of the index, prices for food at home (grocery stores) declined 0.9 percent, while prices for food away from home edged up 0.2 percent.

From February 2015 to February 2016, the food index rose 0.7 percent, reflecting the combined effects of a 1.4-percent price rise for food away from home and little change in grocery store prices (0.1 percent).

Energy

The energy index declined 7.1 percent in January and February, after decreasing 6.9 percent in November and December. The biggest factor in the current two-month decline was a 13.8-percent decrease in the motor fuel index, though lower natural gas costs also contributed, down 6.8 percent. Electricity prices were little changed, rising 0.3 percent during the period.

During the year ended in February 2016, the energy index fell 16.0-percent as prices decreased for all three energy components. A 23.5-percent drop in motor fuel prices was the biggest factor in the energy decline, though lower natural gas and electricity costs were also major contributors, down 11.6 and 7.7 percent, respectively.

All items less food and energy

The index for all items less food and energy advanced 1.5 percent in January and February, after decreasing 0.5 percent in November and December. Higher prices for shelter, household furnishings and operations, apparel, and airline fares were the leading factors in the current advance. Smaller contributions were made by higher prices for medical care (1.9 percent), recreation (1.7 percent), and other goods and services (0.3 percent).

From February 2015 to February 2016, the index for all items less food and energy rose 3.9 percent. The biggest factor in the annual increase was a 5.6-percent rise in shelter costs, as the indexes rose for both renters' costs (6.2 percent) and owners' equivalent rent (5.5 percent). Other contributors to the annual rise included higher prices for household furnishings and operations (13.8 percent), medical care (2.4 percent), and apparel (2.0 percent).

The April 2016 Consumer Price Index for All Items for Houston-Galveston-Brazoria will be released on May 17, 2016.

Technical Note

The Consumer Price Index (CPI) is a measure of the average change in prices over time in a fixed market basket of goods and services. The Bureau of Labor Statistics publishes CPIs for two population groups: (1) a CPI for All Urban Consumers (CPI-U) which covers approximately 89 percent of the total population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers 28 percent of the total population. The CPI-U includes, in addition to wage earners and clerical workers, groups such as professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force.

The CPI is based on prices of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and the other goods and services that people buy for day-to-day living. Each month, prices are collected in 87 urban areas across the country from about 6,000 housing units and approximately 24,000 retail establishments--department stores, supermarkets, hospitals, filling stations, and other types of stores and service establishments. All taxes directly associated with the purchase and use of items are included in the index.

The index measures price changes from a designated reference date (1982-84) that equals 100.0. An increase of 16.5 percent, for example, is shown as 116.5. This change can also be expressed in dollars as follows: the price of a base period "market basket" of goods and services in the CPI has risen from \$10 in 1982-84 to \$11.65. For further details, see the CPI home page on the Internet at www.bls.gov/cpi and the BLS Handbook of Methods, Chapter 17, *The Consumer Price Index*, available on the Internet at www.bls.gov/opub/hom/pdf/homch17.pdf.

In calculating the index, price changes for the various items in each location are averaged together with weights that represent their importance in the spending of the appropriate population group. Local data are then combined to obtain a U.S. city average. Because the sample size of a local area is smaller, the local area index is subject to substantially more sampling and other measurement error than the national index. In addition, local indexes are not adjusted for seasonal influences. As a result, local area indexes show greater volatility than the national index, although their long-term trends are quite similar. **NOTE: Area indexes do not measure differences in the level of prices between cities; they only measure the average change in prices for each area since the base period.**

The **Houston-Galveston-Brazoria, Texas, Consolidated Metropolitan Statistical Area (CMSA)** includes Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, and Waller Counties.

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Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods, Houston-Galveston-Brazoria, TX (1982-84=100 unless otherwise noted)

| Item and Group | Indexes | | | Percent change from - | | |
|---|--------------|--------------|--------------|-----------------------|--------------|--------------|
| | Dec. 2015 | Jan. 2016 | Feb. 2016 | Feb. 2015 | Dec. 2015 | Jan. 2016 |
| All items | 212.936 | - | 214.505 | 2.0 | 0.7 | - |
| All items (1967 = 100) | 682.962 | - | 687.994 | | | |
| Food and beverages | 225.265 | - | 224.627 | 0.8 | -0.3 | - |
| Food | 225.223 | - | 224.300 | 0.7 | -0.4 | - |
| Food at home | 225.620 | 225.074 | 223.653 | 0.1 | -0.9 | -0.6 |
| Food away from home | 220.377 | - | 220.716 | 1.4 | 0.2 | - |
| Alcoholic beverages | 215.618 | - | 219.256 | 2.5 | 1.7 | - |
| Housing | 206.035 | - | 208.584 | 5.2 | 1.2 | - |
| Shelter | 246.632 | 248.510 | 248.732 | 5.6 | 0.9 | 0.1 |
| Rent of primary residence ⁽¹⁾ | 239.289 | 240.843 | 241.388 | 6.2 | 0.9 | 0.2 |
| Owners' equivalent rent of residences ⁽¹⁾ ⁽²⁾ | 228.923 | 230.635 | 230.610 | 5.5 | 0.7 | 0.0 |
| Owners' equivalent rent of primary residence ⁽¹⁾ ⁽²⁾ | 228.923 | 230.635 | 230.610 | 5.5 | 0.7 | 0.0 |
| Fuels and utilities | 151.864 | - | 150.545 | -6.1 | -0.9 | - |
| Household energy | 131.333 | 133.746 | 130.081 | -8.4 | -1.0 | -2.7 |
| Energy services ⁽¹⁾ ⁽³⁾ | 128.985 | 131.504 | 127.855 | -8.3 | -0.9 | -2.8 |
| Electricity ⁽¹⁾ | 127.378 | 130.345 | 127.720 | -7.7 | 0.3 | -2.0 |
| Utility (piped) gas service ⁽¹⁾ | 126.007 | 126.002 | 117.416 | -11.6 | -6.8 | -6.8 |
| Household furnishings and operations | 129.144 | - | 136.536 | 13.8 | 5.7 | - |
| Apparel | 169.216 | - | 181.891 | 2.0 | 7.5 | - |
| Transportation | 169.190 | - | 166.973 | -2.6 | -1.3 | - |
| Private transportation | 167.498 | - | 163.732 | -3.4 | -2.2 | - |
| Motor fuel | 161.669 | 151.469 | 139.436 | -23.5 | -13.8 | -7.9 |
| Gasoline (all types) | 161.391 | 151.229 | 139.140 | -23.0 | -13.8 | -8.0 |
| Gasoline, unleaded regular ⁽⁴⁾ | 162.674 | 152.275 | 139.539 | -24.1 | -14.2 | -8.4 |
| Gasoline, unleaded midgrade ⁽⁴⁾ ⁽⁵⁾ | 176.334 | 164.283 | 153.472 | -19.7 | -13.0 | -6.6 |
| Gasoline, unleaded premium ⁽⁴⁾ | 180.149 | 170.842 | 160.285 | -16.4 | -11.0 | -6.2 |
| Medical care | 446.557 | - | 455.213 | 2.4 | 1.9 | - |
| Recreation ⁽⁶⁾ | 101.154 | - | 102.851 | 0.8 | 1.7 | - |
| Education and communication ⁽⁶⁾ | 125.032 | - | 125.123 | 0.5 | 0.1 | - |
| Other goods and services | 389.155 | - | 390.389 | 0.5 | 0.3 | - |
| Commodity and service group | | | | | | |
| Commodities | 169.059 | - | 169.035 | -1.6 | 0.0 | - |
| Commodities less food and beverages | 141.888 | - | 142.120 | -3.1 | 0.2 | - |
| Nondurables less food and beverages | 179.739 | - | 177.974 | -6.0 | -1.0 | - |
| Durables | 104.281 | - | 105.788 | 0.3 | 1.4 | - |
| Services | 258.425 | - | 261.438 | 4.5 | 1.2 | - |
| Special aggregate indexes | | | | | | |
| All items less shelter | 200.290 | - | 201.653 | 0.5 | 0.7 | - |
| All items less medical care | 201.428 | - | 202.723 | 2.0 | 0.6 | - |
| Commodities less food | 144.391 | - | 144.712 | -2.9 | 0.2 | - |
| Nondurables | 202.686 | - | 201.483 | -2.4 | -0.6 | - |
| Nondurables less food | 181.633 | - | 180.191 | -5.5 | -0.8 | - |
| Services less rent of shelter ⁽²⁾ | 269.895 | - | 273.876 | 3.5 | 1.5 | - |
| Services less medical care services | 239.221 | - | 241.986 | 4.8 | 1.2 | - |
| Energy | 144.962 | 141.933 | 134.637 | -16.0 | -7.1 | -5.1 |
| All items less energy | 222.583 | - | 225.368 | 3.4 | 1.3 | - |
| All items less food and energy | 221.970 | - | 225.372 | 3.9 | 1.5 | - |

Note: See footnotes at end of table.

(1) This index series was calculated using a Laspeyres estimator. All other item stratum index series were calculated using a geometric means estimator.

(2) Indexes on a December 1982=100 base.

(3) Prior to January 2011 this series was titled Gas (piped) and electricity.

(4) Special index based on a substantially smaller sample.

(5) Indexes on a December 1993=100 base.

(6) Indexes on a December 1997=100 base.

Note: Index applies to a month as a whole, not to any specific date.